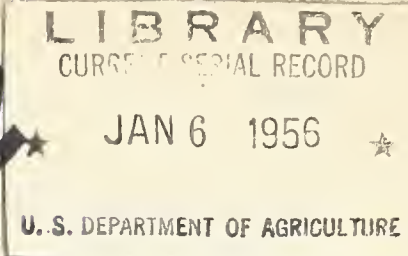


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Foreign CROPS AND MARKETS



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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

MEXICO'S TOBACCO IMPORTS DOWN

Mexico's imports of leaf tobacco during the first 9 months of 1955 totaled only 1.6 million pounds -- substantially below the calendar year 1954 imports of 6.5 million pounds. The decline in leaf imports is attributed to increased prices of cigarettes authorized by the Mexican Government in December 1954. Sales of the better quality cigarettes containing United States leaf declined sharply. This has caused the accumulation of leaf stocks and the decline in imports.

Stocks of imported leaf, according to a recent report, are now declining and imports of flue-cured and Burley will be stepped-up in March and June of 1956, respectively. Trade sources indicate that total imports for 1956 may approximate 3.3 million pounds, which will be slightly above the estimated 1955 takings.

INDONESIA INCREASES TOBACCO IMPORT SURCHARGE

The Indonesian Government increased the import surcharge (ad valorem) on leaf tobacco and manufactured products effective September 1, 1955. The surcharge on unmanufactured tobacco was increased from 33-1/3 to 50 percent, tobacco extracts from 83-1/3 to 100 percent, and for cigarettes and cigars from 175 to 200 percent. In addition to the import surcharge, importers must purchase an import certificate that is equivalent to 100 percent of the landed cost of the tobacco. Payment for both the import certificate and the import surcharge must be paid upon application for an import permit. For unmanufactured tobacco this advance payment amounts to 150 percent of the landed cost.

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

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CEYLONESE CIGARETTE OUTPUT
CONTINUES DOWNWARD

Cigarette output in Ceylon has declined for three consecutive years through 1954. Output of cigarettes during 1954 totaled 1.4 billion pieces as compared with the 1951 record level of 1.7 billion. The 12-percent decline in cigarette output from 1953 is attributed to the tax of 4.00 Rupees (83.6 U.S. cents) per pound imposed during July 1953 by the Ceylonese Government on domestic leaf used in the manufacture of cigarettes or pipe tobacco. As a result of this tax, the price of cigarettes containing domestic leaf was increased by one Ceylon cent (.21 U.S. cents) per cigarette, or 4.2 U.S. cents per pack of 20.

INCREASE EXPECTED IN NYASALAND'S
FIRE-CURED TOBACCO HARVEST

A substantial increase as compared with the 1955 harvest is expected in Nyasaland's fire-cured tobacco crop for 1956. Reports indicate that the number of growers registered for production of fire-cured leaf this season totals about 60,000. The number of growers last year fell to about 50,000, and this, coupled with adverse weather conditions, caused Nyasaland's fire-cured output to decline to 14.7 million pounds in 1955 as compared with 23.6 million pounds produced in 1954 and a 1947-51 average of 21 million pounds.

The Government has announced a policy of encouraging production of fire-cured leaf in the most suitable areas, and, in order to improve the quality of the product, has limited registrations in marginal areas. The number of growers registered this season is about equal to the number for the 1954 harvest, although somewhat less than the 63,850 registrations for the crop harvested early in 1953. In view of the renewed interest on the part of the Government and growers, the 1956 harvest will probably approach the previous levels.

JAPAN'S 1955 TOBACCO CROP A RECORD;
1956 ACREAGE UP SLIGHTLY

Tobacco acreage for the 1956 harvest in Japan has been authorized by the Monopoly Corporation at 185,900 acres. This is about equal to the 1955 harvested acreage, but is an increase of 2.3 percent over the 181,700 acres originally authorized for planting last season. Flue-cured acreage is placed at 118,860 acres for the 1956 harvest and represents a decrease of 1.5 percent from the 1955 harvest, while native tobacco is expected to increase slightly from 62,500 acres to 63,300 acres. Burley tobacco production is being expanded rapidly in Japan with the authorized planted acreage for the 1956 crop set at 3,760 acres -- 45 percent above the 1955 harvested acreage and 78 percent above the 1954 level. (Cont'd., next page.)

The 1955 tobacco harvest in Japan totaled 324.9 million pounds, exceeding last year's output by 31 percent and establishing a new all-time record for the crop. Acreage harvested was 8 percent above the 1954 level, and weather conditions throughout the season were quite favorable. As a result, both yield per acre and quality of leaf were above average.

Flue-cured production totaled 208 million pounds and was more than one-third higher than in the previous year. Output of native light sun-cured leaf reached 101.8 million pounds as compared with 80.4 million a year earlier. Burley production was up from 3.4 million pounds in 1954 to 5 million in 1955.

EIRE'S 1955-56 WHEAT SUPPORT PRICES BELOW LAST YEAR'S LEVEL

Eire's wheat support prices for the 1955-56 (July-June) marketing season are 12.7 percent lower on the average than those of last year. The average price for 1954-55 was 78 shillings 9 pence per barrel of 280 pounds (\$2.36 per bushel), whereas that for the current year is 68 shillings 9 pence per barrel (\$2.06 per bushel).

The Government lowered its wheat price support in order to discourage further expansion in domestic production and to encourage, instead, production of feedgrains and livestock. The policy of the Government is pointed toward a wheat output of one-half to two-thirds of domestic needs. The 1954 crop provided over 85 percent of domestic requirements for the 1954-55 marketing season. While the 1955 acreage and production are about 25 percent under those of a year ago, the crop this year will still be sufficient to take care of about three-fourths of estimated requirements for 1955-56.

By encouraging farmers to grow more feedgrains, the Government hopes to increase production and exports of livestock and meat -- which it considers to be Ireland's most important products. The acreage in barley and oats increased by about 9 percent and the total production of these grains by about 15 percent from 1954 to 1955. Eire depends almost entirely upon imports for supplies of feedgrains other than oats and barley.

As in former years, the Government has set separate prices for four grades of wheat. In the current marketing season, however, there is a separate price for each grade for each of three periods into which the season has been divided. In former years, there was only one price for each grade for the entire year. In the current season, farmers will be receiving from 7 shillings 6 pence to 12 shillings 6 pence per barrel (22 to 37 cents per bushel) less than in the two preceding years, depending on when they market their wheat.

Farmers sell their wheat to authorized private grain dealers. However, the quasi-official Grain Importers, Ltd., which controls the importation of wheat and corn, also is the residual marketing agency for domestically produced wheat and barley. Presumably any wheat which farmers cannot sell to private grain dealers will be purchased by this agency.

EIRE: Wheat support prices during stated periods

Weight of grain per bushel	1955-56			1953-54
				and
	Aug.-Nov.	Dec.	Jan.-July	1954-55
Dollars per bushel				
63 pounds or over.....	2.10	2.18	2.25	2.47
60 pounds or over but less than 63..	2.03	2.10	2.18	2.40
57 pounds or over but less than 60..	1.95	2.03	2.10	2.32
Less than 57 pounds.....	1.88	1.95	2.03	2.25

These are the prices for wheat which meets the requirements as to permissible content of screenings and moisture. If the content of screenings exceeds 4 percent, deductions will be made at the rate of 6 pence per barrel (1.5 cents per bushel) for each 1 percent, or fraction thereof, by which the content of screenings exceeds 4 percent. The amount of moisture permitted in the wheat without deductions from the prices is up to 23 percent. If the percentage of moisture exceeds 23, deductions are made as indicated in the following table.

EIRE: Deductions from 1955-56 wheat support prices
because of excessive moisture

Moisture content	Deductions	
	Shillings and pence per barrel 1/	Cents per bushel
Above 23 percent but not above 24....	1-0	3
" 24 " " " 25....	2-0	6
" 25 " " " 26....	3-0	9
" 26 " " " 27....	5-0	15
" 27 " " " 28....	7-6	22½
" 28 " " " 29....	15-0	45
" 29 " " " 30....	18-0	54
More than 30 percent.....	20-0	60

1/ One barrel equals 280 pounds or 4.667 bushels of wheat

The indicated prices are those to be paid the farmers at their nearest port, railway station or canal depot, or at the purchaser's premises. If a purchaser takes delivery of wheat at the farmer's premises, he deducts 1 shilling per barrel (3 cents per bushel) as reimbursement of his collection and transportation expense. The price of wheat purchased from farmers for seed purposes and re-sold by the buyer for use as seed is not controlled.

WORLD POTATO PRODUCTION LOWER

World potato production is approximately 10 percent below that of last year. The Northern European crop was adversely affected by dry weather last summer. The crop was harvested under favorable conditions, while in 1954 harvest conditions were most unfavorable. Shrinkage losses were higher than is expected this year. Tuber sizes in some areas are small. The Southern European crop was about normal.

The potato crop in "other" or Eastern European countries is 17 percent below that of 1954, and 27 percent below the 1935-39 average.

Production in North America, principally Canada and the United States, is about 10 percent larger than last year.

In Europe, a large portion of the potato crop is used for livestock feed and for industrial purposes -- largely starch. Due in part to the larger livestock numbers, there will be a shortage of potatoes both for stock feed and for starch manufacture. It is doubtful if starch production will be sufficient to meet local needs.

There has been a sharp increase in trade among OEEC countries. This summer the United Kingdom permitted the sale of 1-1 $\frac{1}{4}$ -inch potatoes and larger for table use, and only recently raised the minimum size to 1-1 $\frac{1}{2}$ inches. The normal minimum size for table potatoes is 2 inches in diameter. The United Kingdom has granted open individual licenses to import potatoes, but most North and South American countries, including the United States and Canada, are excluded.

Sweden will import table potatoes this winter. Most of the Southern European countries import a portion of their seed potatoes from the Northern European countries and in turn the northern countries purchase early new-crop potatoes from the southern areas. By importing feed grains, a larger portion of the European potato crop can be made available for food use. (See table, opposite page.)

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CEYLON LIMITS RICE PURCHASES
TO LONG TERM CONTRACTS

The Government of Ceylon has indicated that in 1956 rice will not be imported from sources other than Communist China and Burma, with which it has long-term purchase agreements. Food authorities consider that rice imported under the two contracts, together with a large rice crop, will be sufficient to meet domestic requirements, and permit a carry-over of 150,000 long tons (1 long ton = 2,240 pounds). Ceylon in 1955 entered into contracts for limited purchases of rice from India, Pakistan, and Thailand.

POTATOES: Acreage and production in specified countries,
average 1935-39 and 1945-49, annual 1954-55

Continent and country	Acreage				Production			
	Average		1954	1955 <u>1</u> /	Average		1954	1955 <u>1</u> /
	1935-39	1945-49			1935-39	1945-49		
	<u>1,000 acres</u>				<u>1,000 bushels</u>			
<u>North America</u>								
Canada.....	539	373	300	308	66,571	65,300	51,783	63,578
Mexico.....	37	69	79	79	2,547	4,693	5,512	4,960
United States....	3,033	2,284	1,408	1,444	355,504	431,641	356,031	383,771
Cuba.....	20	24	23	18	1,894	3,009	3,096	2,468
Total.....	3,629	2,750	1,810	1,849	426,516	504,643	416,422	454,777
<u>Europe</u>								
Austria.....	507	423	438	444	104,632	71,135	102,518	106,147
Belgium-Luxemburg:	<u>2</u> /425	233	247	222	<u>2</u> /124,801	66,803	101,671	80,076
Denmark.....	188	277	239	220	47,668	73,312	71,209	49,052
Finland.....	213	211	217	-	48,624	43,305	40,034	38,566
France.....	3,786	2,863	2,613	2,561	631,052	460,217	624,141	558,150
Germany, Rep. of :	2,871	2,660	2,940	2,787	718,100	631,000	983,600	837,800
Greece.....	53	75	96	99	5,308	10,487	16,608	16,534
Ireland.....	328	379	292	288	98,286	110,348	83,925	80,640
Italy.....	993	982	980	964	96,433	88,460	116,958	117,579
Netherlands.....	320	474	399	377	100,744	161,097	160,831	149,126
Norway.....	127	152	134	-	32,830	42,537	42,475	<u>3</u> /41,000
Portugal.....	77	195	215	-	20,755	33,180	38,012	39,940
Spain.....	1,125	893	845	-	170,977	99,743	144,776	147,017
Sweden.....	326	353	298	303	66,631	68,742	52,499	51,661
Switzerland.....	116	173	142	-	25,531	43,521	55,850	33,069
United Kingdom...	720	1,402	945	880	182,859	362,551	273,467	243,115
Yugoslavia.....	699	650	637	645	62,026	50,000	68,159	77,160
Total above....	12,874	12,395	11,677	-	2,537,257	2,416,438	2,976,733	2,666,632
Other Europe.....	<u>11,830</u>	<u>9,807</u>	<u>10,900</u>	<u>10,900</u>	<u>2,401,352</u>	<u>1,616,034</u>	<u>2,096,354</u>	<u>1,759,822</u>
Total Europe...	24,704	22,202	22,577		4,938,609	4,032,472	5,073,087	4,426,454
<u>Asia</u>								
Japan.....	<u>388</u>	<u>531</u>	<u>515</u>	<u>512</u>	<u>64,103</u>	<u>74,930</u>	<u>99,611</u>	<u>105,968</u>
Total above....	25,092	22,733	23,092		5,002,712	4,107,402	5,172,698	4,532,422
<u>South America</u>								
Argentina.....	311	432	593		26,523	36,978	47,766	
Brazil.....	168	325	421		15,775	23,202	30,919	
Venezuela.....	15	15			367	551	1,470	

1/ Preliminary.

2/ Not comparable with later years as prewar years apparently include small farms and gardens.

3/ Office estimate based on nearby countries.

INDONESIA BUYS ADDITIONAL RICE FOR IMPORT

Indonesia has purchased 100,000 metric tons (1 metric ton = 2.2046 pounds) of rice from Burma and 100,000 tons from Thailand, with shipments to be completed by March 1956. First shipments of 50,000 tons from Burma and 25,000 tons from Thailand will be completed by the end of December. As reported, the landed cost of this rice is 1.60 rupiahs per kilogram (6.4 cents a pound).

As a result of heavy floods in East Java the government dropped its rough-rice purchase program. Production of corn and cassava, which were expected to alleviate rice shortages, also suffered from heavy rains.

VENEZUELAN CORPORATION TO PRECOOK RICE

The Venezuelan Development Corporation, a government organization, intends to precook rice in an effort to increase consumption, according to the Venezuelan press. Rice consumption reportedly is declining.

Retail prices of rice in Venezuela are at a high level. First-grade rice retails in the free market at 1.35 bolivares per kilogram (18 cents per pound) and second-grade rice is bolivares 1.20 per kilogram (16 cents a pound).

There has been an increase in consumption of wheat bread and macaroni in Venezuela. This is believed to be due largely to increased immigration of Italians, who normally consume these food products.

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1956 JUTE ACREAGE SET IN EAST BENGAL

English-language newspapers in Dacca, East Pakistan, carried an article on December 1, 1955, reporting that the East Bengal Government has decided to fix jute acreage at 1,617,000 acres, estimated to yield 5,500,000 bales (one bale equals approximately 400 lbs.), during the next season which begins in 1956. According to the report, this decision is subject to approval by the Central Government.

The article reported that consumption of raw jute in East Bengal itself is expected to increase next year with expansion of existing jute mills, construction of others, adoption by some mills of double and triple shifts, and an increase in variety of jute goods produced by East Bengal mills.

RECENT LIVESTOCK AND MEAT MARKET DEVELOPMENTS IN DENMARK

Danish farmers delayed fall marketings by holding back hogs in anticipation of higher prices under the recently renewed Danish-British bacon agreement. Danish bacon factories, between September 15 and November 14, raised prices from the equivalent of 25 cents to 30 cents per pound in an effort to discourage farmers from holding hogs from market.

In spite of the increased prices, deliveries to bacon factories have been lower than expected. Farmers are increasing the number of breeding animals. From the longer point of view, increased marketings may be expected during the second half of 1956.

Exports of live hogs have declined because the Republic of Germany, Denmark's only important customer, is restricting imports. Exports of fresh pork have increased substantially, primarily because of larger shipments to France--although larger quantities were shipped to the United Kingdom, the Soviet Union, and the German Republic.

In an effort to expand the domestic market, the Danes have launched a program to develop internal sales of canned meat. Preliminary surveys conducted as part of this program indicate that the Danish consumer is most readily influenced in purchasing by factual information on labels. Such factors as keeping qualities, nutritive value, and preservatives used play a greater role in influencing consumer purchases than design and appearance of the label.

IRISH LIVESTOCK SITUATION

Exports of Irish livestock decreased materially during 1955 following record exports in the second half of 1954.

Reduced exports of cattle since June 1 this year reflect to a large extent the abnormally large numbers exported after the end of rationing and decontrol of meat prices in Great Britain in mid-1954. The advance in cattle prices that followed these actions started a heavy flow of Irish cattle to market, which continued through May 1955. Last winter's feed shortage gave considerable impetus to this above-normal flow from October through June.

The volume and value of agricultural exports from Ireland in October and November this year again fell below the same months a year ago. Since feed supplies from the above-average harvest of 1955 are plentiful, farmers are believed to be holding back some of their cattle for later deliveries. It is estimated that cattle shipments after the first of 1956 will compare favorably with those a year earlier.

GERMAN REPUBLIC-BELGIAN
TRADE AGREEMENT : LIVESTOCK AND MEAT

A recent trade agreement between the Republic of Germany and Belgium included several livestock and meat items. The German Republic will import the equivalent of \$18,000 worth of draft horses; \$3,120,000 of slaughter hogs, hog sides, bacon, and hog intestines; and \$240,000 worth of lard. Belgium will import an unannounced number of breeding hogs as well as 250 breeding cattle--the total value of all the animals to be \$142,000. Among the items that Belgium has agreed to import at a later date are beef, mutton, horsemeat, bacon, and salted meats.

PORTUGAL'S MEAT IMPORTS SMALL

Portugal will import around a million pounds of beef during 1955, compared with 647,000 pounds in 1954. Veal, mutton, horse and goat meat production was about equal to consumption in 1955 and there was little foreign trade in these items. No pork imports were made until the beginning of November. However, there is some possibility that pork and pork products will be imported early in 1956 because of current high prices for pork. It is reported that there was a severe outbreak of hog cholera in Portugal during 1955.

SPANISH CITRUS MARKETING
BEHIND SCHEDULE

Production of Navel, Cadeneras, and Blanca oranges in Spain that will be available through January 31 is estimated to be 16.6 million boxes. Estimated disposition of these oranges is as follows;

	Supply <u>1,000 boxes</u>
Exports to December 11.....	6,000
Spanish markets, industrial and waste to December 11.....	3,800
Estimated demand December 11 - January 31.....	3,300
Estimated surplus.....	<u>3,500</u>
Total.....	<u>16,600</u>

Approximately half the surplus is hail-marked fruit.

In the 8-week marketing period February 1 to March 31, it is expected that 4.1 million boxes of the above varieties and 10.7 million boxes of blood Oval oranges will become available.

Spain is expected to have about 500,000 boxes of tangerines on the trees on February 1. It is doubtful if tangerines will be in suitable shipping condition after that date. Spanish officials hope to increase exports of tangerines to France after Christmas.

AUSTRALIAN WOOL SALES

Wool sales in Australia continue to reflect strong and sustained competition among buyers from the continent, the United Kingdom, and Japan. Sales were held in Sydney, Adelaide, and Albury during the week ended December 2, 1955, at which 67,970; 47,500; and 20,000 bales, respectively, were sold. Wools offered were generally of better quality. At Sydney a six-bale lot of AAA ewe wool brought about \$1.62 per pound, clean basis--a record price for the current season.

Pulled wools, which are usually sold by selling brokers at private treaty, are in short supply. Demand for these wools has been strong, with prices advancing from 2 to 5 cents during the past month.

AUSTRALIAN WOOL PRICES: Average raw wool costs, clean basis, on Australian auction floors, by quality classification (current prices with comparisons)

	WEEK ENDED--		
	12/2/55	Week earlier (11/25/55)	Year ago (12/3/54)
	U.S. Dollars per pound		
<u>Combing Wools</u>			
Good 70's	1.29	1.28	1.60
Average 70's	1.20	1.19	1.47
Good 64's	1.11	1.10	1.39
Average 64's	1.09	1.07	1.32
Good 60's	.99	.98	1.26
Average 60's	.97	.95	1.21
Good 58's	.91	.91	1.14
Average 58's	.90	.89	-
Good 56's	.85	.84	1.04
Average 56's	.83	.82	-
Good 50's	.78	.77	.91
Average 50's	.77	.77	-
<u>Carding Wools</u>			
Merino	.74	.72	.83
Comeback	.67	.65	.78
Fine Crossbred	.63	.63	.77
Medium Crossbred	.62	.62	.77

Source: Wool Statistical Service of the Australian Wool Bureau.

URUGUAYAN WOOL EXPORTS AT ALL-TIME HIGH

Uruguayan wool sales have been at record levels since October 1, when the new clip year began. During the first 6 weeks of the new season 70,000 bales of wool and 20,000 bales of tops were declared for export. During the last full week in November 7,000 were declared for export and in each of the following 2 weeks, 20,000. The 20,000 bales exceeded declarations of any previous week, including the war years.

The increase in export sales during the 6-week period was reflected in an increase in domestic wool prices of more than 5 percent. Higher prices in turn resulted in a decline in sales, and in mid-December foreign buyers were indicating a reluctance to purchase at the higher values.

A factor causing the spurt in sales may have been that after January 1, 1956, the export payment (designed to stimulate the previously inactive market) will be decreased from 21 centesimos to 14 centesimos per dollar's worth of exports. The export payment will be 7 centesimos beginning April 1 and will be discontinued on July 1.

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FROZEN MILK DEVELOPED IN U.K. AND DENMARK

Hard on the heels of the announcement from London that the National Institute of Dairy Research at Reading had been successful in experiments of frozen milk comes an announcement from Copenhagen that Danish dairy plants have apparently been successful in developing a deep-freeze whole milk, primarily for use on ships. Both of the processes rely on the ability of the milk to be maintained in a frozen condition for a considerable period and eventually thawed without separation of the fat.

In the United Kingdom the frozen product has been kept in plastic bags of various sizes. A patent has been applied for on the process and the rights have been assigned to the National Research Development Corporation, which is considering procedures for commercial exploitation.

In the Danish experiment the milk has been contained in block-form packages of plastic and metal that hold 5 and 20 liters of whole milk. Attempts are being made to reduce container size to a one-liter plastic package.

The Danes have had the product used on shipboard, and periods up to 3 months have elapsed before containers were opened and the milk thawed. The product was said to have been as fresh as when the raw milk came into the plant. In an effort to reduce cost of transportation and handling, the Danes have experimented with evaporating whole milk to a 50-percent level. This experiment has been also considered successful.

CANADIAN DAIRY OUTLOOK GOOD

Canada recently held an Agricultural Conference similar to the Outlook Conference held each year by the United States Department of Agriculture, and the opinion is that Canada is headed for another good dairying year in 1956.

There will be another increase in milk cow numbers, but at a smaller rate than in 1955. Production per cow is likely to be above present output and, as a result, a milk production of 17.5 billion pounds is forecast for 1956.

Fluid milk consumption is expected to change very little. It will run at the per capita level of 1955 and the estimated consumption, including farm use, will reach 6.6 billion pounds in 1956 only because of the increase in population. Ice cream consumption will drop from its all-time high of 17.25 pints per capita registered in 1955. Per capita consumption in 1956 is not expected to be more than 16 pints.

Creamery butter manufacture will probably be slightly higher in 1956, although production in 1955 did not suffer materially because of the drought conditions in Quebec and Ontario. Per capita consumption of butter will remain about the same, and total domestic disappearance of creamery butter in 1956 will approximate 310 million pounds. Cheddar cheese production is expected to be about 2 or 3 percent higher than the 1955 level and, with the increase in population, domestic disappearance will be about 76 million pounds in 1956.

While Canada has been losing its canned milk market, the slack has been taken up by increased domestic consumption which rose to an estimated 18.6 pounds per capita in 1955 compared to 12.6 pounds in 1945. A production of 305 million pounds in 1956 will be required to meet domestic demand and to maintain exports at the level of the last two years. On the other hand, local consumption of dry whole milk has remained stable and the increased production has been taken care of by a greater export movement. In 1955 approximately 16 million pounds of dry whole milk went into export channels; most of it during the last 6 months.

Output of nonfat dry milk solids in 1956 will probably be slightly above the record 1955 production of approximately 88.5 million pounds. However, even a normal increase in per capita consumption would require only 86 million pounds to meet domestic needs, and a considerable supply is expected to seek export outlets.

UNICEF DRY-MILK PLANT IN OPERATION IN CHILE

The San Fernando milk-drying plant in Chile, set up through contributions of UNICEF, received and processed milk during 29 days in October. A report states that 1.56 million pounds of milk were received during the period, from which about 8,000 quarts of cream, 64,000 pounds of butter, and 117,700 pounds of dry milk were processed.

DANES OPTIMISTIC ON
BUTTER EXPORT OUTLOOK

Danish dairy interests are optimistic over the immediate prospects for Danish butter in foreign markets. The termination of the Danish-British long-term contract (on September 30) and the resumption of free trade in butter between the two countries, together with an over-all butter shortage in Europe, have brought about an improvement in farm income. The recent increase in the price of Danish butter on the British market to approximately \$0.54 per pound--the highest price in the post-war period--is expected to hold firm through the Christmas--New Year holiday period, when imports are large.

While there is some uncertainty regarding prices after the New Year, Danish trade sources consider the outlook bright. The demand for butter in Danish secondary markets, principally the Republic of Germany and France, is expected to continue strong. By mid-October, when demand exceeded supply, Danish butter export authorities found it necessary to allocate export supplies to different markets. Recently, Denmark signed a new trade agreement with France for delivery of 4.0 million pounds of butter--which was less than that requested by the French trade negotiators. As further evidence of the shortage of export supplies, Denmark was recently forced to reject orders for butter from Czechoslovakia and Eastern Germany.

MILK PRICES MAY BE FIXED NATIONWIDE IN KENYA

Mr. J. H. Symons, Chairman of the Kenya Cooperative Creameries, has stated that it is now believed possible to fix prices of milk from suppliers on a country-wide basis. This announcement was made at the time of the announcement of the establishment of the new depot at Nariobi (see Foreign Crops and Markets, Dec. 12, 1955).

It is thought that the situation is sufficiently advanced so that a system of countrywide prices can be introduced on the first of March 1956. It is claimed that this system would simplify operations in the various markets, particularly in regard to the equitable distribution of the milk and manufactured products.

For the present, quotas will continue or will be allocated separately in particular markets.

DROUGHT LOWERS MILK PRODUCTION IN SYRIA

Poor pastures, caused by a severe drought, resulted in reduced production of dairy products during the 1954-55 season in Syria. However, dairying evidently was not so hard hit as some of the crop-producing areas, as it is anticipated that Syria will be a net exporter of dairy products in 1955-56.

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CANADA'S COTTON CONSUMPTION
CONTINUES UPWARD TREND

Canada's cotton consumption in November 1955 amounted to 35,400 bales (500 pounds gross) an increase of 6 percent over October consumption of 33,300 bales, and 22 percent higher than the 29,000 bales consumed in November 1954. Consumption for the first 4 months, August-November, of the 1955-56 marketing year amounted to 135,000 bales or 19 percent higher than the 113,000 bales used in the comparable months of 1954-55.

CHILE REDUCES COTTON IMPORTS
AND CONSUMPTION IN 1954-55

Reduced cotton mill activity in Chile was reported for the August-July 1954-55 marketing year, because of shortages of raw cotton brought about by lowered imports and problems of internal supply. Consumption of approximately 98,000 bales (500 pounds gross) in 1954-55 was down by about 9 percent from the 108,000 bales consumed in 1953-54. Several mills reportedly laid off considerable numbers of workers because of curtailed operations.

Chile's cotton imports in 1954-55 were estimated at 92,000 bales, or 9 percent less than the 101,000 bales imported in 1953-54. Most of the cotton imported is from Peru and the United States, with smaller quantities from Egypt and Brazil. Government control is maintained over cotton imports and internal distribution, the latter being administered through rationing of cotton to the mills. The official import monopoly on cotton was established April 20, 1955, and is expected to continue as long as close control of cotton imports is considered necessary.

Cotton stocks at mills were estimated at only 5,000 bales on July 31, 1955, less than half of the 11,000 bales held a year earlier. Chile produces only nominal amounts of cotton, estimated at less than 500 bales in 1954-55. Shortage of land suitable for cotton cultivation is expected to limit cotton production for some years to come. (Cont'd., next page.)

Chile's maximum cotton mill capacity, operating three shifts daily, has been tentatively estimated at about 130,000 bales of cotton per year, with about 196,000 installed spindles. Mills were reportedly operating at about 70 percent of capacity in 1954-55. Production of cotton textiles in 1954-55 was estimated at 36 million meters, as compared with 40 million in 1953-54. Textile production in both years was insufficient to meet demand, as reflected in the high cost-of-living index for apparel in comparison with other items.

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COTTON SITUATION IN FINLAND

Finland's cotton consumption amounted to 61,000 bales (500 pounds gross) in the August-July 1954-55 marketing year, as compared with consumption of 63,000 bales in 1953-54. Continuation of this satisfactory level is attributed to the relatively high consumer purchasing power, combined with development of modern fabric types and designs, and the general fashion trend favoring cotton fabrics. Abolition of the 25-percent sales tax on textiles and clothing on November 1, 1954, and the exclusion of cotton textiles from automatic import licensing on July 1, 1955, have also encouraged domestic textile production and sales. Imports of raw cotton and cotton yarns, number 30 and finer counts, were liberalized on July 1, 1955.

The domestic cotton industry supplies about 75 to 80 percent of the fabrics sold in Finland. Mills are presently manufacturing fabrics only on order, to prevent stock accumulations and to encourage the best utilization of raw materials. Consumption of rayon staple fibre by the cotton industry is negligible, at a monthly rate of about 1,000 bales per month, entirely of domestic production.

FINLAND: Imports of cotton from major countries of origin;
annual 1951-54, August-September 1954-55 and 1955-56

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1				August-September	
	1951	1952	1953	1954	1954-55	1955-56
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Brazil.....	23	0	0	0	0	0
Egypt.....	2	4	3	3	1/	1/
Mexico.....	6	23	4	3	1	0
Pakistan.....	3	0	0	0	0	0
Turkey.....	1/	9	12	1/	0	0
United States.....	33	7	7	12	3	5
U. S. S. R.	0	20	41	44	3	5
Total	67	63	67	62	7	10
1/ Less than 500 bales.						

Source: Official records.

Finland's cotton imports amounted to 62,000 bales in 1954-55, down about 7 percent from the 67,000 bales imported in 1953-54. Most of Finland's cotton supply has been imported from the U.S.S.R. in the last 2 years, under terms of trade agreements. The 1955 agreement provided for Finnish imports of approximately 40,000 bales of Soviet cotton. The United States is the other major source of Finland's cotton imports, supplying 12,000 bales in 1954-55, as compared with 7,000 in 1953-54. Imports from the U.S.S.R. amounted to 44,000 bales in 1954-55, as compared with 41,000 in 1953-54. (See table, opposite page.)

Finland's cotton stocks on July 31, 1955, were estimated at 25,000 bales, down about 14 percent from stocks of 29,000 bales held a year earlier.

INDIA FREES IMPORTS OF LONG-STAPLE COTTON FROM ALL NONDOLLAR AREAS

Effective December 12, 1955, the Government of India has freed import of all cotton 1-1/16 inches and over in staple length, from non-dollar areas. This action will permit cotton imports from British East Africa, which were discontinued with suspension of cotton imports from all nondollar areas on May 11, 1955. Licensing for cotton imports from Egypt, Peru, and the Anglo-Egyptian Sudan was resumed September 23, 1955.

India's cotton imports amounted to approximately 500,000 bales (500 pounds gross) in each of the past 2 years. British East Africa has been one of the principal sources of India's cotton in recent years, supplying about 40 percent of the total in the August-July 1954-55 marketing year, as compared with 25 percent in 1953-54, and 35 percent in 1952-53.

EUROPEAN AGRICULTURAL OUTPUT IN S. RHODESIA AT RECORD HIGH

Total output value of European-operated farms in Southern Rhodesia established a new record in the 1954-55 season. The total was \$96,684,000--a rise of 3.4 percent over 1953-54, principally because of a 21-percent rise in dairy produce and a slight increase in value of the tobacco crop. This data was released by the Central African Statistical Office monthly digest of statistics. The output value in the 1949-50 season was only \$68,782,000. Value of the tobacco crop last season increased by over \$3,080,000 to a new record figure of \$57,036,000. Dairy produce value rose from \$3,693,200 to \$4,480,000. Value of corn, and cattle for slaughter rose only slightly. Imports of butter, cheese, and wheat continued at high levels. Most of the domestic dairy production is utilized as fluid milk for human consumption.

ICELAND'S WHALE OIL PRODUCTION UP; HERRING OIL DOWN

Whale oil production in Iceland was up in 1955, due largely to one of the largest whale catches in the last decade. (400 whales were killed as compared with 333 in 1954.) Whale oil production in 1955 was 2,273 short tons as compared with the 1,426 tons produced in 1954. Sperm oil production was down from 542 tons in 1954 to 206 tons in 1955. Total whale oil production in 1955 was 2,479 tons, or an increase of 26 percent from the 1,968 tons produced in 1954.

Exports of whale oil through the end of September were 1,120 tons, all of which went to Sweden. The remaining stock will probably be shipped by early next year.

Current prices for whale oil are from 85 to 87 pounds sterling per metric ton (\$216 to \$221 per short ton) c.i.f. Those for sperm oil are about 70 pounds sterling (\$178 per short ton) c.i.f. Prices fluctuated very little during the year and were about the same as the previous year.

Although the herring catch to September 30 was almost exactly the same as in the same period in 1954, production of herring oil is expected to be smaller because a considerably larger proportion of the catch was salted. Herring oil production through the first 9 months of 1955 was 1,433 tons. Total production for all of 1954 was 4,178 tons; and for 1953, 5,467 tons.

As of December 5 no commitments had been made for large-scale exports of the 1955 herring oil production. In 1954 exports went largely to the Republic of Germany and Norway. Herring oil is currently selling at from 70 to 76 pounds sterling per metric ton (\$178 to \$193 per short ton) c.i.f.

Production of cod liver oil is reported at 10,031 short tons for the first 9 months of 1955 as compared with 11,303 tons during the entire year of 1954. Exports through September totaled 9,041 tons as compared with 9,436 tons during the same period in 1954. Almost a quarter of the 1955 exports have gone to Norway, with the remainder going largely to the Netherlands, the United States, and the United Kingdom. The present price (December 5) of bulk oil is about 82 pounds sterling per metric ton (\$230 per short ton) c.i.f. That for medicinal oil is around 113 pounds sterling per metric ton (\$287 per short ton) c.i.f., including the drums.

Ocean perch oil production through the first 9 months of 1955 was 3,086 tons as compared with 3,034 tons during the entire year of 1954. Practically all of the 1,667 tons of this oil exported through the first 9 months of 1955 went to Norway. The price of ocean perch oil is currently (December 5) running about 77 to 78 pounds sterling per metric ton (\$196 to \$198 per short ton) c.i.f.

It is reported that the present marketing outlook for whale, herring, and other fish oils is good. There is a ready demand, and no drastic changes either in demand or prices are anticipated in the near future.

JAPANESE IMPORTS OF SOYBEANS
AT HIGH LEVEL

Imports of soybeans into Japan for the current Japanese fiscal year as well as for calendar 1955 may reach the highest level since Japan lost control of Manchuria 10 years ago.

Imports by sources and quarters, January through September 1955, were as follows (in thousand bushels):

<u>Source</u>	<u>January- March</u>	<u>April- June</u>	<u>July- September</u>	<u>Total</u>
United States	8,632	3,820	3,640	16,091
Communist China	2,478	1,757	2,135	6,370
Brazil	422	40	172	635
Others	13	--	36	49
Total	11,545	5,617	5,983	23,146

Source: Customs House, Ministry of Finance

GOLD COAST TO DEVELOP
CACAO PLANTATIONS

The Gold Coast Agricultural Development Corporation is to spend £1,050,000 (\$2,900,400) on establishment of three cocoa estates in the Gold Coast. These estates will be self-contained townships, each of which will be run by a board of directors consisting of two members of the corporation and two members from each of the farmers' cooperative societies. Profits will be shared for the first 30 years, after which the estates will become the property of the farmers' societies. This is a significant development, because generally in West Africa agricultural production is concentrated on small individual farms--not on plantations.

